

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1280  
ANSWERED ON:02.03.2001  
FAKE CURRENCY NOTES OF RS.500  
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government are aware that the circulation of the fake currency note of Rs.500 denomination has alarmingly increased;
- (b) if so, whether the Government have released new Notes of Rs.500 denomination to check this and have issued directions to the banks to issue only the new notes;
- (c) if so, the action being taken by the Government against the banks not complying with the directions;
- (d) whether the Government are also aware that despite the directions from the Government, the banks are giving old currency notes to the customers; and
- (e) if so, the action being taken by the Government to tackle this situation?

**Answer**

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

(a)&(b): Instances have come to the notice of the Government about circulation of fake notes of Rs.500 denomination. But, the number of counterfeit notes of this denomination detected so far is miniscule as compared to the total number of notes of this denomination in circulation. Rs.500 denomination note with a new design has been issued with instructions to banks to exchange them against notes of old design of 1987 series with Ashoka Pillar watermark, as counterfeit notes were largely detected in this series. The Reserve Bank of India has advised the public sector banks not to reissue the 1987 series notes of Rs.500 denomination to the public. However, the notes of Rs.500 denomination with 'Mahatma Gandhi' watermark will continue to be re-issued by the banks.

(c)&(d): No specific instances have come to the notice of the Government.

(e): Does not arise.